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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

JUN 17 2005

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KJ

IN THE MATTER OF THE APPLICATION OF
CAVE CREEK WATER COMPANY FOR
APPROVAL OF AN EXTENSION OF THEIR
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO INCLUDE PARCEL NO. 216-29-
002A.

DOCKET NO. W-01452A-05-0082

CAVE CREEK WATER
COMPANY'S COMMENTS TO
STAFF REPORT

Cave Creek Water Company ("CCWC"), through undersigned counsel, hereby submits the following comments to the Staff Report issued June 10, 2005. These comments are intended to clarify certain statements in the Staff Report or to identify issues in the Staff Report that require clarification.

1. The Staff Report indicates (at page 1) that CCWC serves the Town of Cave Creek. CCWC also provides service in the Town of Carefree and in unincorporated areas of Maricopa County. In addition CCWC supplies bulk treated water to the Carefree Water Company and the Desert Hills Water Company.

2. The Staff Report indicates (at page 2) that CCWC has 780,000,000 gallons of storage. CCWC's storage capacity is 660,000 gallons.

3. The Staff Report refers (at page 3) to a Maricopa County Environmental Services Department (MCESD) that indicated CCWC made upgrades to its water treatment plant without an MCESD Approval To Construct. The MCESD's inspection report identified the fact that both a chlorine alarm system and an in-line strainer were installed without an Approval to Construct from MCESD. CCWC believed that those upgrades were not part of the water treatment plant facility, but rather part of the supply system. CCWC is not in a position to remove those upgrades,


1 obtain an Approval to Construct and then re-install the facilities. However, CCWC has supplied
2 the necessary documentation to MCESD for approval. This action took place in February/March
3 of 2005, and it is CCWC's understanding that the company is in substantial compliance with
4 MCESD requirements (an MCESD Compliance Status Report is attached at A). As a related
5 matter, the Executive Summary and the Report (at page 5) recommends that, as a condition of
6 approval, CCWC file "MCDES [sic] documents that demonstrate full compliance." However, the
7 Staff Report does not clearly identify what MCDES compliance documents fall within the
8 condition. Although CCWC believes those documents most likely relate to the facilities upgrade
9 discussed above, CCWC requests clarification.

10 4. The Staff Report discusses arsenic issues (at page 3). CCWC has an approved
11 blending plan from MCESD. This plan will be amended and augmented with a combination of
12 flocculation/filtration through pre-oxidation, pH adjustment, ferric chloride injection and filtration
13 to remove arsenic in the well water. CCWC has performed some tests regarding the proposed
14 system already and is developing the specific operational protocols to maintain optimum
15 performance, and the emergency operations plan to be implemented in the event of a treatment
16 system failure. Moreover, CCWC understands that MCESD will issue the Approval to Construct
17 the arsenic treatment system, not ADEQ.

18 5. Finally, the Staff Report (at page 4) discusses a County Franchise. However, the
19 extension area is within the Town of Carefree boundaries. CCWC will ensure that its existing
20 Franchise/Operating Agreement with the Town of Carefree is modified as necessary.

21 RESPECTFULLY SUBMITTED this 17th day of June 2005.

22 ROSHKA HEYMAN & DEWULF, PLC

23
24 By 
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1 Original and 13 copies of the foregoing
2 filed this 17th day of June 2005 with:

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7 Copy of the foregoing hand-delivered/mailed
8 this 17th day of June 2005 to:

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By Mary Ippolito

ATTACHMENT

A



ENVIRONMENTAL SERVICES DEPARTMENT
WATER AND WASTE MANAGEMENT DIVISION
DRINKING WATER PROGRAM
MEMORANDUM

PUBLIC WATER SYSTEM COMPLIANCE STATUS REPORT

TO: Michele L. Lorenzen
Ryley Carlock & Applewhite

FROM: John Kolman R.S.

Drinking Water Program Manager

DATE: 03/15/2005

SUBJECT: REQUEST FOR COMPLIANCE STATUS INFORMATION RECEIVED

COMPLIANCE STATUS INFORMATION HAS BEEN REQUESTED FOR THE FOLLOWING
WATER COMPANY:

System Name: Cave Creek Water

PWSID#: 07016

Assigned Monitoring Dates - Initial: 1/1/94, Phase II: 1/1/94, Phase V: 1/1/94.

Does the water system have a Certified Operator? Yes

Does the system have major physical/plant (treatment) deficiencies? No
Please describe: ____

Date of last inspection: September 3, 2003

Does the system have major O & M deficiencies? No
Please describe: ____

Does the system have water quality monitoring/reporting deficiencies? No Please
describe: ____

General Public Water System Compliance Status? Substantial Compliance

Number of Service Connections: 2050, Population Served: 7000, Type
of System: Community, Number of POE's: L Surface Water: L

Date of compliance review: March 15, 2005, By: Duncan Wright Initials: _____.

Phone: (602)506-5173